

Honolulu, Hawaii

March 4, 2016

RE: H.B. No. 375
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 375, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to amend state law that permits a creditor to collect on a monetary judgment through attachment or execution of real and personal property by:

- (1) Changing the exemption from attachment or execution for:
 - (A) Real property from \$30,000 to an unspecified amount; and
 - (B) Personal property, including vehicles, to the adjusted fair market value; and
- (2) Exempting child support, tax refunds that result from a federal earned income tax credit, and tax refunds that result from federal or state child tax credits from attachment or execution.

The LGBT Caucus of the Democratic Party of Hawaii; Abelmann Peterson Rollins LLC; Barbara L. Franklin, Esq.; Law Office of Stuart T. Ing; and several individuals testified in support of this measure. The Department of the Attorney General; the Department of Taxation; Chamber of Commerce Hawaii; Hawaii Bankers



Association; Hawaii Credit Union League; Hawaii Financial Services Association; Mortgage Bankers Association of Hawaii; and the Hawaii State Bar Association Collection Law Section testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Specifying an amount of \$275,000 for the exemption from attachment or execution for real property owned by an individual;
- (2) Specifying an amount of \$15,000 for the exemption from attachment or execution for an individual's motor vehicle;
- (3) Specifying an amount equal to one month of child support plus one month of spousal support, in the debtor's possession, that is exempt from attachment or execution;
- (4) Removing exemptions from attachment or execution for the debtor's tax refunds from federal earned income tax credits and federal or state child tax credits;
- (5) Inserting an effective date of February 12, 2809 to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 375, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



